

Original Title Page

HAPAG-LLOYD/UASC Vessel Sharing Agreement

FMC Agreement No. 012465

A Vessel Sharing Agreement

Expiration Date: See Article 9

TABLE OF CONTENTS

<u>ARTICLE</u>	<u>NAME OF ARTICLE</u>	<u>PAGE NO.</u>
Article 1	Name of Agreement	1
Article 2	Purpose of Agreement	1
Article 3	Parties to Agreement	1
Article 4	Geographic Scope	1
Article 5	Authority	2
Article 6	Administration	3
Article 7	Membership	3
Article 8	Voting	3
Article 9	Duration and Resignation	4
Article 10	Non-Assignment	4
Article 11	Law and Arbitration	4
Article 12	Force Majeure	5
Article 13	Compliance with Law	5
Article 14	Notices	6

**ARTICLE 1: NAME OF AGREEMENT**

The name of this agreement is the HAPAG-LLOYD/UASC Vessel Sharing Agreement (the "Agreement").

**ARTICLE 2: PURPOSE OF AGREEMENT**

It is recognized that Hapag-Lloyd is in the process of merging its liner shipping business with that of United Arab Shipping Company (the "Transaction"). The purpose of this Agreement is to authorize the Parties, in advance of the Transaction, to coordinate and cooperate with respect to the Parties' transportation services and operations in order to improve efficiency, save costs, provide premium service to the shipping public in the Trade and to coordinate operations prior to the closing in order to ensure a seamless transition to the integration of UASC's assets into the operations of Hapag-Lloyd post-closing.

**ARTICLE 3: PARTIES TO AGREEMENT**

The Parties to the Agreement are:

1. Hapag-Lloyd Aktiengesellschaft (HapagLloyd)  
Ballindamm 25  
20095 Hamburg, Germany
2. United Arab Shipping Company Limited (UASC)  
P.O. Box 123327, Unit 818, Level 8, Liberty House, Dubai International  
Financial, Centre, Dubai  
United Arab Emirates

Hapag-Lloyd and UASC are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

**ARTICLE 4: GEOGRAPHIC SCOPE**

The geographic scope of this Agreement is the trade between ports in North Asia, South Asia, Middle East (including the Arabian Gulf and Red Sea Regions), Northern Europe, Mediterranean, Adriatic, and Black Sea, Egypt, Panama, Mexico, Central America and the Caribbean on the one hand, and ports on the East, Gulf, and West Coasts of the United States, by any route including via the Panama and Suez Canals or the Cape of Good Hope, on the other, as well as ports and points served via such U.S. and foreign ports (the "Trade"). The specific countries/regions that are within the geographic scope of this Agreement are listed in Appendix A hereto.

There shall be no geographic restrictions on the origin or destination of cargo carried on vessels employed in the services established pursuant to this Agreement. In other words, such cargo may originate from or be destined for ports or points outside the geographic scope of this Agreement. The inclusion of any non U.S. trades in this Agreement shall not bring such non U.S. trades under the jurisdiction of the U.S. Federal Maritime Commission or entitle the Parties hereto to immunity from the U.S. antitrust laws with respect to such non U.S. trades.

## **ARTICLE 5:           AUTHORITY**

5.1 (a) The Parties agree to share space on vessels operated under THE Alliance Agreement (FMC Agreement No. 012439) and on such terms and conditions as the Parties may from time to time agree. In particular, UASC shall be entitled to use vessel space from Hapag-Lloyd's allocation on the services referred to as the AL1, AL2, AL5, AL6, AL7, PN1, PN2, PN3, PS1, PS3, PS4, PS5, PS6, PS7, EC1, EC2, EC3, EC4, EC5, and operated under THE Alliance Agreement (the "Services"), as those Services may be renamed or otherwise modified from time to time, for cargo moving between ports in the Trade. UASC shall initially be entitled to use 5,990 TEUs per week, which may be increased to as many as 7,000 TEUs or as few as 4,500 TEUs at any time without amendment to this Agreement.

(b) Subject to operational requirements and space availability, UASC may use space in excess of the foregoing allocation on an *ad hoc* basis on terms to be agreed by the Parties.

5.2 The Parties are authorized to discuss and agree on the terms and conditions relating to the allocation and use of space hereunder, including the charges therefor (including any bunker element thereof) and additional charges for the use of reefer plugs (if any).

5.3 The Parties are authorized to discuss and agree on the following: their respective rights, fair and reasonable allocation of liabilities among the Parties, apportionment of damages, satisfaction of claims, procurement of insurance and claims thereunder, and indemnities for activities under this Agreement, such as matters pertaining to cargo loss or damage; damage or loss to containers or other equipment; schedule or delivery delays; loss of or damage to a vessel; accidents; hazardous, breakbulk, or oversized cargoes; loss or damage caused by cargo; damage to persons or property; failure to perform; force majeure; general average; and any liability to third parties. The Parties may also discuss and agree on all matters relating to the terms and conditions of charter parties pertaining to the operation and use of vessels/space/cargo subject to this Agreement, participation in voluntary

government programs concerning security, safety, or similar matters (such as C-TPAT), and sequestration of all or portions of vessels, or other Flag State use of vessels, including pursuant to the U.S. government's Voluntary Intermodal Sealift Agreement Program.

5.4 Each Party shall operate under its own name, issue its own bills of lading, publish its own tariff and shall collect its own freights. Each Party shall be responsible for marketing its own interests in the Trade. Nothing in this Agreement shall be deemed to constitute a partnership, association or joint venture.

5.5 Pursuant to 46 C.F.R. § 535.408, any further agreements contemplated by this Agreement which are required by the Shipping Act of 1984, as amended, to be filed shall not be implemented until an appropriate amendment to this Agreement has been filed and becomes effective.

#### **ARTICLE 6: ADMINISTRATION AND DELEGATION OF AUTHORITY**

6.1 This Agreement shall be implemented and administered by meetings and other written and oral communications among the Parties. The Parties are authorized to adopt written procedures and policies with respect to the day-to-day operational requirements of the Service, as well as with respect to communications among themselves.

6.2 Counsel for the respective Parties are hereby authorized to file this Agreement and any amendments thereto with the U.S. Federal Maritime Commission, execute this Agreement and any amendments hereto, and to otherwise act on behalf of the Parties with respect thereto.

#### **ARTICLE 7: MEMBERSHIP**

Membership is limited to the Parties, unless otherwise mutually agreed by the Parties.

#### **ARTICLE 8: VOTING**

(a) Except as otherwise provided herein, decisions hereunder shall be reached by mutual agreement of the Parties.

(b) Notwithstanding any other provision of this Agreement, UASC acknowledges that the Services are subject to THE Alliance Agreement. Nothing in this Agreement shall be read to derogate from Hapag-Lloyd's rights and obligations under THE Alliance Agreement (FMC Agreement No. 012439) or to require or permit that UASC consent to decisions by the parties to THE Alliance Agreement.

**ARTICLE 9: DURATION AND RESIGNATION**

9.1 This Agreement shall be effective as of the date it becomes effective under the U.S. Shipping Act of 1984, as amended. It shall expire automatically upon closing of the Transaction as lined out in Article 2.

9.2 Notwithstanding Article 9.1, if at any time during the term of the Agreement either Party should become bankrupt or declare insolvency or have a receiving order made against it, suspend payments, or continue its business under a receiver for the benefit of any of its creditors, or if a petition is presented or a meeting convened for the purpose of considering a resolution, or other steps are taken, for the winding-up of the Party (otherwise than for the purposes of and followed by a resolution previously approved in writing by the other Party), or any event similar to any of the above shall occur under the laws of the Party's country of incorporation (the Party so affected being referred to, in this Article 9.2 only, as the "Affected Party") and the other Party is of the opinion that the result may be materially detrimental to the Services, or that sums may be owed by the Affected Party to the other Party and may not be paid in full or their payment may be delayed, then, the other Party may, with immediate effect, either terminate or suspend this Agreement for such period as the other Party, in its sole discretion, deems appropriate.

9.3 In the event of the termination of this Agreement, the Parties shall continue to be liable to one another in respect of all liabilities and obligations accrued and due prior to termination and shall consult between themselves in relation to the completion of all contracts of carriage outstanding at the date of termination.

**ARTICLE 10: NON-ASSIGNMENT**

The rights and obligations of each Party under this Agreement shall not be assignable except with the prior written agreement of the other Party.

**ARTICLE 11: LAW AND ARBITRATION**

11.1 This Agreement shall be governed by and construed in accordance with the laws of England and shall otherwise be subject to the U.S. Shipping Act of 1984, as amended.

11.2 Any dispute or difference arising out of or in connection with this Agreement which cannot be amicably resolved shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof save to the extent necessary to give effect to the provisions of this Article 11. The arbitration shall be conducted in accordance with the London Maritime Arbitration Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.

11.3 The reference shall be to three arbitrators. Any Party wishing to refer a dispute to arbitration shall appoint its arbitrator and send notice of such appointment in writing to the other Party, requiring the other Party to appoint its own arbitrator within fourteen (14) calendar days of that notice, and stating that it will appoint its arbitrator as sole arbitrator unless the other Party appoints its own arbitrator and gives notice that it has done so within the fourteen (14) days specified. If the other Party does not appoint its own arbitrator and give notice that it has done so within the fourteen (14) days specified, the Party referring a dispute to arbitration may, without the requirement of any further prior notice to the other Party, appoint its arbitrator as sole arbitrator and shall advise the other Party accordingly. The award of a sole arbitrator shall be binding on both Parties as if the arbitrator had been appointed by agreement. Nothing herein shall prevent the Parties agreeing in writing to vary these provisions to provide for the appointment of a sole arbitrator.

11.4 In cases where neither the claim nor any counterclaim exceeds the sum of US\$100,000 the arbitration shall be conducted in accordance with the LMAA Small Claims Procedure current at the time when arbitration proceedings are commenced.

#### **ARTICLE 12: FORCE MAJEURE**

If due to circumstances beyond the control of the Parties hereto, such as but not limited to war, whether declared or not, hostilities or the imminence thereof, act of public enemies, restraint of princes, rulers or people, compliance with any compulsorily applicable law or governmental directive, boycott against flag, political ban, terrorist acts, civil commotion (or civil war), invasion, rebellion, sabotage, blockade, strikes, lockouts, labor disputes, nuclear accidents, unusually severe weather, fire, perils of the sea, closure to or obstacles in any canal, acts of God, or other events which render performance of this Agreement wholly or substantially impracticable, the Agreement shall not thereby be terminated, but (subject always to the various provisions for termination of this Agreement) the performance thereof shall be suspended (in whole or in part as appropriate) until such time as the performance thereof is again practicable, without prejudice to any rights, liabilities and obligations accrued at the date of suspension.

#### **ARTICLE 13: COMPLIANCE WITH LAW**

The Parties shall, individually and collectively, conduct their operations under this Agreement in compliance with laws and regulations applicable to one or both of the Parties, including but not limited to applicable regulatory compliance and trade sanctions, anti-boycott, anti-corruption and bribery, environmental, labor, competition, and privacy laws.

**ARTICLE 14:       NOTICES**

Any notice hereunder shall be made by courier service or registered mail, or in the event expeditious notice is required, by e-mail or fax confirmed by courier or registered mail, to the addresses shown in Article 3 hereof.



HAPAG-LLOYD/UASC  
Vessel Sharing Agreement  
FMC Agreement No. \_\_\_\_\_

Signature Page

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be  
executed by their authorized representatives as of this 16<sup>th</sup> day of February, 2017.

Signed for and on behalf of  
**Hapag-Lloyd Aktiengesellschaft**

Signed for and on behalf of  
**United Arab Shipping Company  
Limited**

*per. [Signature]*  
*i.v. Axel J. Lüdeke*  
Name: Ulf Schawohl      Axel Lüdeke  
Title: Senior Managing Director      Senior Director  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name:  
Title:  
Date:

HAPAG-LLOYD/UASC  
Vessel Sharing Agreement  
FMC Agreement No. \_\_\_\_\_

Signature Page

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be  
executed by their authorized representatives as of this 16<sup>th</sup> day of February, 2017.

Signed for and on behalf of  
**Hapag-Lloyd Aktiengesellschaft**

\_\_\_\_\_  
Name:  
Title:  
Date:

Signed for and on behalf of  
**United Arab Shipping Company  
Limited**

  
\_\_\_\_\_  
Name: **Jørn Hinge**  
Title: **CEO**  
Date:



*JOP*

## APPENDIX A

The following countries are within the geographic scope of the Agreement:

Belgium\*  
Colombia\*  
Dominican Republic\*  
Egypt\*\*  
France\*  
Germany\*  
Hong Kong  
Italy\*  
Japan  
Malaysia  
Mexico\*  
Morocco  
Netherlands  
Panama  
People's Republic of China  
Singapore  
South Korea  
Spain\*  
Sri Lanka  
Taiwan  
Thailand  
United Arab Emirates  
United Kingdom\*  
United States  
Vietnam

\* - Scope of the Agreement includes only the trade between ports in the listed country and ports in the United States Atlantic and Gulf Coast Range.

\*\* - Scope of the Agreement includes only the trade between ports in the listed country and ports in the United States Pacific Coast Range.